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ABSTRACT

This overview on potential funding sources describes three major federal programs that can provide a financing base for public job creation initiatives serving hard-to-employ welfare recipients and non-custodial parents. Section I is an introduction. Section II focuses on the Temporary Assistance to Needy Families (TANF) block grant. Section III describes the Welfare to Work (WTW) program, including original and revised targeting requirements (70 percent and 30 percent rules). Section IV discusses differences between the two types of programs that Workforce Investment Act (WIA) funds can be used to create (paid work experience and on-the-job training). Sections V-VII identify other federal programs that can be used to support some components of a public job creation initiative. Section V describes these federal housing and community development programs: Section 3 Hiring Obligations, Empowerment Zones/Enterprise Communities, Community Development Block Grants, and additional Department of Housing and Urban Development programs of potential interest. Section VI focuses on federal transportation programs. Section VII suggests other potential funding sources, such as Medicaid and Children's Health Insurance Program; Child Care and Development Blocks, Title XX Social Service Block Grants, and Head Start funds; and AmeriCorps funds. Section VIII concludes the document by noting that there is a substantial funding base available to support job creation initiatives. (Contains 12 footnotes.) (YLB)

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FEDERAL FUNDING SOURCES FOR PUBLIC JOB CREATION INITIATIVES

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I. Introduction

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Today's generation of public job creation programs provides paid work and learning opportunities for individuals with few work-related skills and little or no recent work experience. By design, they invest substantial sums to enhance participants' employability. Even when offering only 20 hours per week of paid work, the cost of wages and payroll taxes for each participant will reach at least $6,000 per year. The costs of job development, case management, and support services can add as much as $2,500 or $3,500 to that total. In this context, policy makers and community leaders interested in this approach must quickly seek to identify potential funding sources that can enable them to develop and sustain such initiatives.

Since the demise of the CETA Public Service Employment program in 1981, there has been no federal funding specifically provided to create wage-paying, publicly-funded jobs for disadvantaged adults. Since 1996, however, states and communities have had new opportunities to use federal welfare funds to pay for programs targeted at low-income families who meet state eligibility requirements. In addition, a broad range of federal grant programs focused on economic or community development, housing, transportation, crime prevention, environmental protection, and other economic stimulus goals can also be tapped to cover at least some of the costs incurred in public job creation efforts.

This overview on potential funding sources briefly describes three major federal programs that can provide a financing base for public job creation initiatives serving hard-to-employ welfare recipients and non-custodial parents: the Temporary Assistance to Needy Families (TANF) block grant, the Welfare-to-Work (WtW) program, and the Workforce Investment Act (WIA). These three programs offer the most likely prospects for funding the core costs of such initiatives, including participants' wages as well as payroll taxes, benefits, work-site development, and case management. This overview also identifies several other federal programs that can be used to support some components of a public job creation initiative, with particular emphasis on federal housing and transportation programs. These alternative funding sources, along with WIA, may be especially useful when seeking to develop or expand public job creation initiatives to serve non-welfare populations.

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II. Temporary Assistance to Needy Families (TANF)

The 1996 federal welfare law (the Personal Responsibility and Work Opportunity Reconciliation Act) dramatically changed federally-funded welfare programs and their implementation at state and local levels. The Aid to Families with Dependent Children (AFDC) program was repealed and replaced by TANF block grants to states which give them vast new discretion in how to spend funds on behalf of needy families. As one example of that decision-making authority, states now have the option of using federal TANF funds (as well as state "maintenance of effort" funds which they must spend as a condition of receiving federal TANF funds) to create wage-paying, publicly-funded jobs for individuals who meet the state's TANF eligibility requirements.

The opportunity to use TANF funds for public job creation represents a major shift in federal welfare policy. Under AFDC, the federal matching funds that provided for cash assistance to poor families could be used to subsidize wages only through a cumbersome "grant diversion" process. While separate funding for employment-related activities targeted to AFDC recipients was allocated to states under the JOBS program, federal regulations explicitly prohibited the use of JOBS funds for any form of public service employment. Both AFDC grant diversion rules and JOBS regulations have now been eliminated, opening the door for states and communities to use federal welfare funds for public job creation initiatives.

Current initiatives that rely upon TANF funds to pay some or all of the costs associated with publicly-funded jobs typically do so in one or both of the following ways:

- *Direct allocation of TANF funds by state or county welfare agencies* — State welfare agencies, at their own discretion, or pursuant to legislative appropriations or a governor's directive, can earmark TANF funds for a public job creation program which they administer; or they can provide funds directly to other state, local, or non-profit agencies for this purpose. In county-administered welfare systems, welfare agencies may also have discretion under state law (subject to approval by the county executive or board of supervisors) to allocate TANF funds or make grants or contracts to other agencies for such programs.

- *Diversion of TANF funds that otherwise would be used to provide cash assistance* — Rather than allocating a lump sum of TANF funds for public job creation, state or county welfare agencies can "divert" welfare recipients' cash grants and use the funds as wage subsidies for those recipients. This approach allows the state or county to provide funds on a per capita basis with the knowledge that the cost of wages will be partially or wholly offset by reductions in cash assistance to participants. Federal regulations no longer require that welfare agencies undertake a case-by-case reconciliation of diverted grants to ensure that each individual's cash benefit is used solely for her own wage subsidy.

While direct allocation of TANF funds tends to be simpler and easier to administer, states and communities are finding ways to implement both approaches effectively.

The TANF regulations[1] state that when TANF funds are used to subsidize wages, the resulting wage payments to participant/employees do not constitute assistance and will not count against the 60-month federal time limit applicable when TANF funds are used to provide cash welfare grants. This change in federal policy does not prevent states from counting months in subsidized jobs against their own state time limits if they choose to do so. However, state rules can be modified to conform with the new federal regulations.[2]

TANF funds can also be used to serve families who are not receiving cash assistance, non-custodial parents, and childless teenagers and young adults,[3] if the state modifies its TANF eligibility rules to include such individuals within its definition of eligible families.

III. Welfare-to-Work (WtW) Funds

Federal welfare-to-work grants available to states and local communities since 1998 provide another potential funding source for public job creation programs designed to move longer-term welfare recipients into unsubsidized employment. States receive 75 percent of WtW funds and are required to distribute 85 percent of their allocations to local private industry councils (PICs) on a formula basis.[4] The remaining 25 percent of WtW funds are awarded through competitive grants by the U.S. Department of Labor to PICs, local governments and non-profit agencies. "Job creation through public or private sector employment wage subsidies" is specified as one of many allowable activities under the WtW program.[5]

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[1]Final TANF regulations were issued by the U.S. Department of Health and Human Services (HHS) on April 12, 1999. (64 Fed. Reg. 17720; http://www.acf.dhhs.gov/programs/ofa/finalru.htm)

[2]The new federal policy excluding wage subsidies from the definition of "assistance" under TANF may raise other concerns at the state level about work participation and child support requirements. A more complete analysis of these issues is available from CLASP or CBPP.

[3]One of the purposes for which TANF funds may be used is to reduce the incidence of out-of-wedlock pregnancies. (42 U.S.C. §601(a)(3)) Research evidence from an evaluation of youth corps programs indicates that participation reduces the incidence of out-of-wedlock births among participants. Therefore, expenditures on job creation programs for teenagers and young adults appears to fall withing the permissible uses of TANF funds in furtherance of this statutory purpose.

[4]Under the Workforce Investment Act of 1998, Private Industry Councils will be replaced by Workforce Investment Boards - WIBs. The timing of this changeover will vary from state to state, but must take place by July 1, 2000, at the latest.

[5]Recent amendments add pre-employment vocational education and job training, which may be provided to a participant for up to 6 months as an allowable activity under WtW. Further information on the legislation and regulations governing the federal welfare-to-work grants as well as information concerning recently enacted amendments to the program can be found on the Department of Labor's welfare-to-work web site (http://wtw.doleta.gov).

As in the case of federal TANF funds, use of WtW funds to subsidize wages in a publicly-funded job will not count as assistance for purposes of the 60-month federal time limit applicable to federally-funded assistance.

As WtW funds are controlled primarily by local officials, they provide an opportunity to create programs at the city or county level when state officials may not wish to act. In most large cities, mayors have a great deal of influence over local PICs' use of WtW funds. Business and community leaders who serve on PICs, as well as PIC directors and their staffs, also are important decision-makers. While not required to do so, many PICs have solicited welfare-to-work proposals from community agencies and have used a competitive process to award grants or contracts to service providers.

The difficulties associated with the use of WtW funds have been significant. Many communities have struggled to comply with the WtW program's very narrow criteria for individual eligibility. However, recently enacted changes to federal authorizing legislation that will be phased in beginning January 1, 2000[6] should substantially ease these difficulties.

Original Targeting Requirements

70% Rules: Under the original provisions, at least 70 percent of funds under both formula and competitive grants must be used to serve a highly disadvantaged group of TANF recipients or non-custodial parents of children in TANF households. This target group must have either received assistance under TANF for at least 30 months or be within 12 months of a time limit on such assistance, and they must face at least two of the three following barriers to employment:

(1) lacks a high school diploma or GED and has low reading or math skills;
(2) requires substance abuse treatment for employment; and
(3) has a poor work history.

30% Rules: The remaining 30 percent of WtW funds can be used to assist other TANF recipients or non-custodial parents who have characteristics associated with long-term welfare receipt. Individuals or families not receiving TANF assistance (except for non-custodial parents and former recipients who have reached state or federal time limits on assistance) cannot be served under the federal WtW program.

[6]Competitive grantees may implement the new provisions as early as January 1,2000. Formula grantees may implement as of July 1, 2000, except that federal formula funds may not be expended for these purposes until October 1, 2000. During the July - September 2000 quarter, states may use state matching funds for these purposes, or may incur obligations for payment, provided that federal formula funds are not used to pay such obligations before October 1.

Revised Targeting Requirements

70% **Rules:** The amendments remove the requirement that the long-term TANF recipients must meet additional barriers to employment. Therefore, TANF recipients are eligible if they have received assistance for at least 30 months, or if they are within 12 months of becoming ineligible for TANF due to time limits.

Noncustodial parents are eligible and can be served under this 70% category if they meet the following criteria:

- they are unemployed, underemployed, or having difficulty making child support payments;
- their minor children are eligible for, or receiving TANF benefits (with a priority for parents with children who are long-term recipients), received TANF benefits during the preceding year, or are eligible for, or receiving Food Stamps, SSI, Medicaid, or benefits under a state the Childrens' Health Insurance Program; and
- they enter into a personal responsibility contract under which they commit to establishing paternity, pay child support, and participate in services to increase their employment and earnings, and to support their children.

Grantees that plan to serve noncustodial parents are required by the new amendments to consult with domestic violence organizations when developing their projects.

30% **Rules:** The amendments delete noncustodial parents from this category. Added are youth who have aged out of foster care, custodial parents with incomes below the poverty level, and TANF recipients who face barriers to self-sufficiency under criteria established by the local workforce investment board.

IV. Workforce Investment Act

Title I of the Workforce Investment Act of 1998 (WIA) repeals the Job Training Partnership Act (JTPA) and establishes a new federal structure for the delivery of labor market information and job training for adults and dislocated workers. Every state that wishes to continue receiving federal job training funds must secure approval of its plan to come into compliance with WIA by July 1, 2000. As under JTPA, the bulk of federal funds will be distributed to local Workforce Investment Areas. Local elected officials and local Workforce Investment Boards (WIBs) will set policy and determine how WIA funds will be used.

There are two ways WIA funds can be used to create transitional jobs to increase the employability of low-income adults: "paid work experience" and "On-the-Job Training" (OJT). There are several important differences between these two types of programs as discussed below.

Paid Work Experience

Paid work experience is one of many "intensive services" for which WIA funds can be used. Under the Act, each local WIB will be responsible for providing access to three categories of services — core services, intensive services, and training services — for adults and dislocated

workers. The Act further envisions that individuals will participate in activities or programs in each category in sequence, and that participation in each successive category will be conditioned on having received at least one type of service in the prior category.

Core Services must be made available to all adults and include an initial assessment, job search and placement assistance, information about the local labor market and training opportunities, and a determination of eligibility for other services available under the Act (i.e., intensive and training services.)[7]

Intensive Services will be available on a more limited basis to individuals who either: (1) are unemployed, are unable to obtain employment through core services, and have been determined by a one-stop operator to be in need of more intensive services in order to obtain employment; or (2) are employed, but are determined by a one-stop operator to be in need of intensive services in order to obtain or retain employment that allows for self-sufficiency.

Among the intensive services that may be offered is "paid work experience," defined as follows in the Interim Regulations:

> ...work experience is a planned, structured learning experience that takes place in a workplace for a limited period of time. Work experience may be paid or unpaid, as appropriate. A work experience workplace may be in the private for profit sector, the non-profit sector, or the public sector.[8]

It is, therefore, clear that a local area may use WIA funds, either separately or in combination with WtW funds, TANF funds, or both, to create paid, transitional jobs designed to provide work experience to individuals who are otherwise unable to find employment that is likely to lead to self-sufficiency.

On-the-Job Training

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[7]**Core services** must include, at a minimum:

- eligibility determinations
- outreach, intake, and orientation to one-stop delivery system
- initial assessment of skill levels, aptitudes, abilities, and supportive service needs
- job search and placement assistance, and where appropriate, career counseling
- provision of labor market information
- provider performance and program cost information
- information relating to the availability of supportive services
- follow-up services, including counseling for not less than 12 months after the first day of the employment, as appropriate. (WIA, Section 134(d)(2))

[8]Section 663.200(b) of Interim Final WIA regulations issued by the U.S. Department of Labor on April 15, 1999. (64 Fed. Reg. 18662; http://usworkforce.org/wia/finalregs.htm.)

Unlike paid work experience, OJT is a training activity rather than an intensive service. This means that for an individual to qualify, he or she will have used at least one intensive service and been determined to need training to find employment, or, if already employed, to find employment that pays higher wages. OJT can be provided by an employer in the public, non-profit, or private sectors. WIA funds can be used to reimburse the employer for up to 50 percent of the participant-employee's wages to compensate for the employer's extraordinary costs.

WIA does not bar the use of other public funds, such as TANF or WtW, to make up any portion of the wages not reimbursed by WIA funds, so long as these funds were granted to the employer for the purpose of paying wages. The regulations do specify that contracts should not be undertaken with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time doing the same type of work. This presumption -- that OJT contracts will only be made where there is an expectation that the employer will offer permanent unsubsidized employment to successful participants -- may have a significant effect on the ability/willingness of many organizations to participate in OJT.

An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of time, consideration should be given to the skill requirements of the occupation, the individual's academic and occupational skill level, prior work experience, and individual employment plan.

V. Federal Housing and Community Development Programs

Federal housing and community development programs offer some additional possibilities for financing key elements of public job creation initiatives. Only a few programs administered by the U.S. Department of Housing and Urban Development (HUD) have the potential to cover wage costs associated with the creation of publicly-funded jobs, but others can support job training or related support services for participants in a job creation program who also receive federal housing assistance.

Section 3 Hiring Obligations

The most substantial support available from federal housing programs for public job creation initiatives may come from "Section 3" hiring obligations imposed on Public Housing Authorities (PHAs) and many other recipients of HUD funding.[9]

The purpose of Section 3 is to ensure that "employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly

[9]12 U.S.C. §1701u.

those who are recipients of government assistance for housing." HUD's Section 3 regulations provide that at least 30 percent of any new hires supported by certain public housing or community development funds should come from low-income households, with a preference for public housing residents if the funds are public housing funds.[10] The regulations also specify that a certain proportion (generally 10 percent) of the contracting opportunities generated from the use of housing and community development funds should be targeted to businesses controlled by (or that provide significant employment opportunities for) public housing residents or other low-income households.

Section 3 requirements give PHAs and other recipients of HUD funds an additional incentive to participate in public job creation initiatives. PHAs and other HUD grantees, subject to Section 3 requirements, can make progress toward their hiring goals by providing work sites for public housing residents and other targeted individuals enrolled in public job creation programs. This added benefit can serve as a strong "selling point" when developing work sites for participants who need transitional jobs.

Many PHAs and other HUD grantees may be willing or eager to hire public housing residents or other low-income individuals from surrounding neighborhoods but may feel unprepared to supervise and support such individuals without outside help. Public job creation programs can act as much-needed partners by providing case management services to participants and guidance and support to work site supervisors when they are confronted with new or difficult situations. Section 3 implementation is likely to be most effective when undertaken as part of more comprehensive initiatives rather than as a stand-alone strategy and when issues of job preparation, access, and retention are simultaneously addressed.

Public job creation programs also can serve as feeder mechanisms for PHAs, other HUD grantees, and their contractors that have incorporated Section 3 goals into their normal hiring procedures. In partnerships of this nature, grantees or contractors that are subject to Section 3 requirements can overcome problems of poor work readiness and promote job access by hiring public housing residents and other disadvantaged individuals who have succeeded in publicly-funded jobs. These graduates can either be brought directly into the regular work force or referred to "pre-apprenticeship" programs that provide more specific vocational training required for specific occupations. Public job creation initiatives also are likely to provide job retention and support services that help PHAs and other grantees or contractors reduce turnover among their new employees.

Empowerment Zones/Enterprise Communities (EZ/EC)

HUD provides approximately $100 - $130 million over a period of up to ten years to high-poverty areas designated as Empowerment Zones and roughly $3 million to a second tier of

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[10]Section 3 obligations apply to all expenditures under public and Indian housing programs as well as to construction-related projects funded through community development and other housing programs (e.g., Community Development Block Grants, the Home Investment Partnership Program, and McKinney Act-funded programs.)

Enterprise Communities. In both instances, designated communities have broad discretion to use the funds to support a wide range of community and economic development services and activities. Many EZs and ECs are still engaged in planning activities and have not yet decided how to allocate the federal funds.

Community Development Block Grants (CDBG)

As their name implies, CDBG grants can be used for a broad range of community development activities, including neighborhood revitalization, economic development, and improved community facilities and services. Up to 15 percent of local and state formula grants (approximately $630 million in FY 1998) can be used for job training and community services. Because HUD has provided CDBG grants to states and certain larger cities and counties for many years, considerable effort may be required to refocus funds on new public job creation initiatives.

Additional HUD programs of potential interest

Several other HUD programs can provide financing sources for job training and related support services for individuals living in public housing or receiving Section 8 vouchers. The funding options listed below are likely to require collaborations with PHAs, which in many instances are the only entities eligible to apply for and directly receive these HUD grants .

- YouthBuild: YouthBuild provides funding to both PHAs and community-based organizations for comprehensive employment, education, and leadership development projects that engage economically disadvantaged young adults in the construction and rehabilitation of affordable housing in low-income communities. The YouthBuild model is complex and demanding. Participants are paid wages while employed at work sites and also receive education, training, mentoring, and extensive support services.

- McKinney Homeless Programs: HUD programs for the homeless (most notably, competitive grants under the Supportive Housing program) frequently fund employment and training services provided by community-based organizations, including efforts focused on welfare families facing time limits on TANF assistance.

- HOPE VI: While the primary purpose of HOPE VI grants is to provide funds to public housing authorities to renovate and rebuild distressed public housing stock, up to 15 percent of these funds can be used for supportive services, including but not limited to literacy programs, job training, and child care. HUD estimates that PHAs allocated about $35 million of their HOPE VI funds in FY 1998 for supportive services.

- Resident Opportunities and Self-Sufficiency Program (ROSS): Under this HUD program, beginning in 1999, approximately $40 million in competitive grants will be awarded annually to PHAs, resident organizations, and nonprofit agencies for services that help residents obtain and retain employment. Non-profits must demonstrate that there is resident support for their proposals (e.g., by submitting letters of support from resident groups.) Eligible activities under the "family resident service delivery models" include

(but are not limited to): service coordinators, child care, skills training, education, transportation assistance, development of resident businesses, and physical improvements to provide space for self-sufficiency activities.

- Drug Elimination Program (DEP): Last year, DEP provided nearly $300 million in grants to help PHAs and project-based Section 8 developments reduce or eliminate drug-related crime through drug treatment, drug education, and "prevention and intervention" services. Permissible activities under "prevention and intervention" include: education, training, and supportive services to promote employment among tenants.

- Family Self-Sufficiency Program (FSS): Collaborations with PHAs operating FSS programs can enhance work incentives for public housing residents moving from welfare to work. In FSS, the additional rent participants are required to pay when they earn additional income through work is placed in escrow accounts for future use in paying tuition for training or education, purchasing a car, or making a down payment on a home.

VI. Federal Transportation Programs

Federally-funded transportation projects provide opportunities to finance job creation initiatives designed to help minorities, women, and welfare recipients develop skills to work in the transportation construction and technology fields. The Transportation Equity Act for the 21st Century (TEA 21) has two distinct components: (1) a mandate that states which fall short of required affirmative action goals ensure that transportation contractors develop On-the-Job Training (OJT) programs; and (2) funding for a wide range of supportive services to enhance the effectiveness of OJT programs.

In addition to these transportation funds, the federal funding sources noted above (particularly TANF, WtW and WIA) can be used to help underwrite the wage-subsidy costs for OJT programs and to increase funding for supportive services, to the extent that participants meet the eligibility requirements imposed by the other federal programs.

On-the-Job Training

TEA 21 requires that states initiate On-the-Job Training (OJT) programs to provide job training opportunities through federally funded transportation contracts to train individuals who have been excluded from the construction industry. The primary purpose of the program is "to train and upgrade minorities and women into higher paying skilled trades and transportation technology-related careers to meet the projected labor needs."[11]

The law specifies that to the extent to which the number of minorities and women employed on federally funded projects are less than required under federal affirmative action goals,

[11] "A Guide to Federal-Aid Program and Projects," U.S. Dept. of Transportation, Federal Highway Admin., http://www.fhwa.dot.gov/infrastructure/progadmin/part3.htm#training.

states must require contractors to use OJT slots to increase the number of minorities and women on work sites, and train new workers for journey-level positions in the various crafts involved in highway and transit construction. States are allowed to decide which contracts will be required to include OJT positions with the goal of bring the entire statewide workforce involved in federal contract work into compliance with federal requirements. A 90¢ per hour subsidy is included to help contractors offset OJT costs. There does not appear to be any bar to using other public funds, including TANF, WtW, or WIA funds, to provide deeper wage subsidies.

The law also allows states to set aside a portion of OJT positions for individuals receiving "welfare assistance." Any efforts to place welfare recipients must be consistent with the required affirmative action goals for which the OJT requirements are imposed, and the law also protects against the displacement of any individual currently employed in an OJT position when placing welfare recipients.

Funding for Optional OJT Support Services

The law allows states to use up to one-half of one percent of certain federal highway funds for supportive services to ensure that minorities and women can take advantage of the OJT positions set aside for them, and to increase the effectiveness of such programs.[12] Support services for OJT are defined quite broadly to include recruitment, pre-employment counseling, orientation to the expectations and requirements of the highway construction industry, basic skills improvement, counseling, remedial training, training in transportation-related technology, physical examinations, assistance with transportation, child care and other special needs, job-site mentoring, and post-graduation follow-up.

VII. Other Potential Funding Sources

To the extent that public job creation programs are designed to engage participants in useful work, a wide range of other federal grant programs can be tapped to finance at least a portion of their costs. A few of many possibilities include:

- Medicaid and Children's Health Insurance Program (CHIP) funds can be used to pay wages for individuals involved in health insurance outreach and enrollment projects.

- Child Care and Development Block Grants, Title XX Social Service Block Grants, and Head Start funds can be used to pay wages for individuals who are employed as aides in child care and preschool programs.

[12]Under TEA-21, the Secretary of Transportation also has the option of deducting up to $10 million per fiscal year of Surface Transportation Program discretionary funds for OJT Support Services projects.

- AmeriCorps funds provided by the federal Corporation for National Service can provide a base of financial support to youth corps and other programs that pay wages or stipends to young people in service-related projects.

- A focus on federally-funded services can lead in many other directions, from brownsfield cleanup and environmental protection efforts to home health care and other essential social services.

The limitations of this approach are substantial. First, it is unlikely that key elements of a public job creation program designed to promote skill development and employability gains (e.g., education and training, job development and placement, and case management) could be financed in this manner. Second, efforts to tap federal funding sources to pay for individuals to provide services that are already available in a community can heighten concerns about potential displacement of other workers engaged in similar work. By linking public job creation more directly to perceived community needs, however, this strategy also could generate broad and durable support for public job creation efforts.

VIII. Conclusion

Federal funds are available under a range of current programs to support the development, implementation, and expansion of public job creation initiatives. Each federal program has its own requirements and complexities, but taken together the full array of options makes clear that there is a substantial funding base for such efforts that can be explored in every state and community.

TANF and WtW offer two significant advantages over other federal sources of funding for public job creation programs. Because states and local communities can use these funds for a very broad range of allowable activities, TANF and WtW provide opportunities to cover the cost of all components of a public job creation initiative through a single financing mechanism. In addition, these funds appear to be available - at least for the moment - in most jurisdictions. The principal shortcoming of relying upon these funding sources is that they typically cannot be used to serve individuals without children.

WIA funds can be used to provide paid work experience for a broader group of adults (including those without children), but limited federal funding and new requirements to provide universal core services to all adults may make it difficult to draw on these funds in many communities. Numerous other federal programs can provide funding for individual components of a public job creation initiative, but substantial effort is likely to be necessary to assemble these pieces into a more comprehensive financing package.